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## FISCAL IMPACT REPORT

ORIGINAL DATE 02-06-08

SPONSOR Rawson LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Dona Ana Veterans Museum SB 346

ANALYST Dearing

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$250.0	Recurring	General Fund

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>			*\$.01	*\$.01	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to House Bill 313, 243, Senate Bill 349

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Cultural Affairs Department (DCA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 346 appropriates \$250 thousand from the general fund to Cultural Affairs department for the purpose of developing a veteran's museum in Dona Ana County.

### FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in Senate Bill 346 is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund. The establishment of an additional museum within the Cultural Affairs department system will increase annual operating costs independent of any capital costs associated with construction.

This fiscal impact report does not estimate construction and other capital (land) costs. The additional operating costs are estimated using the average costs of other museums in this system as proxy for recurring operating costs for a new museum.

\*Additional annual operating costs for the proposed veterans' museum in Senate Bill 346 are unknown. Other museums within the Cultural Affairs department system have a range of annual operating costs from a low of \$1.7 million to a high of \$2.8 million with an average of \$2.2 million.

## **SIGNIFICANT ISSUES**

While recognizing the economic value of museums at the local level, LFC staff remains concerned over the department's ability to address deferred maintenance and the funds needed to restore or enhance extremely valuable existing collections and exhibits. National data shows significant returns to the state's appropriations with increased attendance when facilities and exhibits are properly maintained and rotated.

The LFC remains concerned with the department's ability to cover additional operating expenses, both when new state-owned facilities are brought on line as well as operating commitments to private and local government facilities. In many instances, acceptances of additional facilities incur additional operating costs to the department, placing strain on the facilities maintenance budget the department receives to address the buildings' conditions. Because the DCA properties are not under the jurisdiction of the Property Control Division of the General Services Department, the DCA is responsible for maintenance and renovation of its own facilities and exhibits, including restoration of art collections.

## **PERFORMANCE IMPLICATIONS**

Upon legislative enactment and completion of this museum, the LFC recommends that the Cultural Affairs department submit a plan for program evaluation with specific program goals and criteria for assessing the effectiveness and provide suggested outputs, outcomes and performance measures to evaluate the performance of state government programs as prescribed in the Accountability in Government Act.

## **RELATIONSHIP**

Senate Bill 346 relates to House Bill 313, 243, Senate Bill 349. Senate Bill 349 relates to House Bill 313, and Senate Bill 247. All four bills include recurring appropriations for a veterans' museum in Las Cruces or Dona Ana County; whereas Senate Bill 349 and House Bill 243 create a Veterans' Museum Division within the Department of Cultural Affairs and a Veterans' Museum Board of Directors

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